CBI probe into Imports by MUL

531. PROF. NAUNIHAL SINGH: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that Government have asked the CBI to probe into the import of capital goods worth hundreds of crores of rupees by the Maruti Udyog Ltd.;

(b) if so, the details thereof;

(c) what is the tendering system adopted by the MUL for procuring the capital goods; and

(d) the details thereof?

THE MINISTER OF INDUSTRY (SHIR MURASOLI MARAN): (a) No, Sir.

(c) and (d) Maruti Udyog Ltd. (MUL) is a non-Government Company whose internal systems and procedures do not come under Government's purview.

Appointment of M.D. in Maruti Udyog Ltd.

532. SHRI RAMDAS AGARWAL: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government's top-level representatives and representatives of Suzuki have so far sorted out their differences over the appointment of Managing Director of Maruti Udyog Ltd.;

(b) if so, the details thereof and the reasons therefor; and

(c) by when differences are likely to be sorted out by them so that expansion programme of this prestegious joint-venture may not suffer?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) Maruti Udyog Limited (MUL) has been a success story because of the concessions and help extended by the Government of India as also the active involvement of Suzuki Motor Corporation (SMC) and the efforts of MUL employees and management as a whole. As per the provisions of the Joint Venture Agreement (JVA) of 2nd October 1982 between the Government of India, SMC and MUL, as amended by the Subscription and Amendment Agreement (SAA) of 2nd June 1992, SMC nominated Shri R.C. Bhargava as Managing Director (MD) of MUL in 1992 As per the said Agreements, the Government, in its turn, nominated Shri RSSLN Bhaskarudu as Managing Director, MUL on 27th August 1997. SMC has objected to this appointment on the grounds that the Government did not consult SMC or take its concurrence while nominated Shri Bhaskarudu, and that Shri Bhaskarudu did not have the ability to head a company of the size of MUL. The action of the Government has been fully in conformity with letter and spirit of the subsisting agreements. Shri Bhaskarudu, who has been with MUL since 1983, has been a Director for over nine years, including 4 years as Joint Managing Director. He has handled competently the Project, production and Materials Management divisions of MUL. He is also the senior most Director in MUL, has discharged duties of MD in the absence of regular MD and is also eminently qualified to head the company. Government has taken into account the merit and seniority of all eligible candidates in nominating Shri Bhaskarudu as the MD. Discussions held with SMC representatives on 17th, 20th, 21st September, 1997 to resolve the differences proved unsucessful. SMC has submitted a request for Arbitration to the International Court of Arbitration of the International Chamber of Commerce raising a dispute against the Government of India and Maruti Udyog Ltd. on the above grounds.